

Organics Grant Program – Overview

Fiscal Year 2015-16

Purpose

To lower overall greenhouse gas emissions by expanding existing capacity or establishing new facilities or food waste reduction projects in California to reduce the amount of California-generated greenwaste, food materials, or ADC being sent to landfills. This is a competitive grant program.

FY 2015-16 Proposed Changes

- **Rural Program:** Reserve \$2 million for rural projects, max \$1 million per application
 - Rural is defined as a county with a population of less than 70,000.
 - Separate pot of money with Rural Program applicants scored separately. Applicant will decide upon applying whether to partake in the Rural Program. If the money for the Rural Program is not fully allocated, it would be put towards the standard program.
- **Preprocessing:** Additional requirements for preprocessing applicants
 - Project must result in diversion from landfills beyond that which the preprocessor was already diverting.
 - Preprocessor must provide proof of binding agreement with a California facility that is receiving the preprocessed feedstock to make compost, soil amendments, biofuels, or bioenergy.
 - If the composting or digestion facility also submits an application, the expert evaluation team will need to ensure each project will result in discrete increases in tons of material diverted from landfills and GHG reductions.
- **Food Waste Prevention/Rescue Projects:** Expand eligible costs
 - Expand eligible costs to include purchase of food waste prevention software that can be shared with food waste generators.
 - Remove Food Waste Prevention salaries (driver/nonprofit labor) from 5% of the total grant budget cap on salaries; allow up to 50% of Food Waste Prevention budget to pay for salaries.
- **Number of applications per primary business entity**
 - Limit to one application per primary business entity
- **Adjusting Points in Scoring Criteria**
 - Eliminate 5 points for “Application Completeness” and add 5 points to “Tonnage” (diversion) - new points would be 20
 - Deduct 5 points from Air & Water Quality Benefits and add them to Disadvantaged Communities; new points would be 5 for Air/Water and 15 for DAC
 - Top points would then be: 25 for GHG, 20 for Tons, 15 for DAC

Eligible Applicants

- Local governments
 - Cities, counties, and cities and counties as defined in Public Resources Code section 30109.
 - Regional or local sanitation agencies, waste agencies, or Joint Powers Authorities.
- Private, for-profit entities. For purposes of this program, a “private, for-profit entity” is defined as a business intended to operate at a profit and return a profit to its owners. The business must be qualified to do business in California and in good standing with all applicable California state agencies, including, but not limited to, the Secretary of State and the Franchise Tax Board. Any and all subsidiaries, divisions or affiliated businesses are considered part of the primary business entity for the purpose of applying for and receiving a grant award under the Organics Grant Program.
- State agencies (including offices, departments, bureaus, and boards).
- The University of California, the California State University, or other public universities or colleges.
- Nonprofit organizations (except private schools) registered with the federal government under 501(c)3, (c)4, (c)6 or (c)10 of the Internal Revenue Code.

- Qualifying Indian Tribes. A “Qualifying Indian Tribe” is defined as an Indian tribe, band, nation or other organized group or community, residing within the borders of California, which:
 1. Is recognized for special programs and services provided by the United States to Indians because of the status of its members as Indians; or
 2. Can establish that it is a government entity and which meets the criteria of the grant program.

Project Requirements

- **Project requirements:**
 - Projects must be located in California and result in permanent, annual, and measurable reductions in greenhouse gas (GHG) emissions from the landfilling of California-generated green and food materials; and
 - Increase in quantity (tons) of California-generated greenwaste, food materials, or ADC diverted from landfills and composted or digested.

Eligible Projects

- Construction, renovation, or expansion of facilities to increase in-state infrastructure for the digestion or composting of organics and greenwaste into compost, soil amendments, biofuels, or bioenergy.
- Construction, renovation, or expansion of facilities to increase in-state infrastructure for the preprocessing of organics and greenwaste when providing preprocessed materials to an in-state digestion or composting facility that is using the waste to make compost, soil amendments, biofuels, or bioenergy.
- Food waste prevention projects must be partnered with a compost or digestion project and result in measurable food waste reduction. Food waste prevention projects are projects that prevent edible food from becoming waste normally destined for landfills and result in rescued food being distributed to people, with any food waste residuals from the project being sent to composting or digestion when available within their service area. *(Note: For a food waste prevention project, collection/delivery expenses are eligible as long as the project scope includes the delivery of rescued food to feed people in need and tracks the amounts. Food waste prevention software costs are eligible.)*

Rural Program Application Requirements

An eligible applicant may choose to apply under the Rural Program if the project will be sited in a rural location and serving, at least in part, a rural community. Rural is defined as a county with a population of less than 70,000. The Rural Program has a maximum award amount of \$1 million per applicant with \$2 million being set aside for this program from the ~\$15 million allocation. Rural Program applicants will be scored in comparison to other Rural Program applicants to determine awardees. The project requirements, eligible projects, ineligible costs, required application documents, scoring criteria, and minimum score requirements are the same for the Rural Program as the standard program.

Ineligible Costs

- Costs incurred prior to the date of the Notice to Proceed letter or after the end of the Grant Term.
- The purchase or retrofitting of vehicles or containers for collection of feedstock.
- Food waste dehydrators and liquefiers unless coupled with increased tons of California-generated greenwaste, food materials, or ADC diverted from landfills and composted or digested.
- Purchase of greenwaste, food materials, or ADC.
- Costs exceeding 5 percent of the total amount requested for permitting, public education/outreach, indirect costs, and salaries not related to construction or installation.
- Costs for labor associated with a food waste prevention component exceeding 50 percent of the total amount requested for food waste prevention.
- Design and engineering costs exceeding 5 percent of total amount requested.
- The same activities or purposes already being funded through other agencies using Greenhouse Gas Reduction Funds.
- Environmental review for project permitting, including the preparation of Environmental Impact Reports or related documents.

- Lease of land or buildings.
- Travel costs exceeding the state-approved rates for mileage, per diem, lodging, etc.
- Purchase of offsets or allowances.
- Costs deemed unreasonable or not related to the grant project by the Grant Manager.

Funding

- ~\$15M for Organics
 - ~\$13M for composting and digestion projects; max \$3 million per application
 - \$2M for composting and digestion projects in rural areas; max \$1 million per application

Coordination with Air Resources Board

As part of project selection, monitoring, and ongoing reporting, CalRecycle will consult with Air Resources Board to ensure that the GHG emission reduction estimation methodologies are as consistent as practicable with methodologies used in other AB 32 program areas.